1988

ANNUAL REPORT

PRINCE EDWARD ISLAND

MARKETING COUNCIL

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CANADA

MARKETING COUNCIL

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31 January 1989

Hon. Joseph A. Ghiz
Minister of Agriculture
Jones Building
11 Kent Street
Charlottetown, P.E.I.
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Dear Sir:

I have the honour to submit herewith the operations report of the P.E.I. Marketing Council for the 1988 calendar year.

Council's financial report for the 1987-88 fiscal year is amalgamated with the financial report of the Department of Agriculture as Council's annual allocation is provided through the Department.

Respectfully submitted,

J. G. Gaudin

J.G. Gaudin,
Chairman

JG/lm

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P.E.I. MARKETING COUNCIL

The Prince Edward Island Marketing Council is constituted under the Natural Products Marketing Act (R.S.P.E.I. 1974, Cap. N-2) and is responsible for the supervision of the activities of commodity boards, commodity groups and marketing commissions formed under the Act.

In 1988, the Canada-U.S. trade agreement tended to dominate discussion in agriculture circles. Marketings boards and commissions strove to assess the impact of the agreement on marketing systems and in particular supply-managed systems. The agreement went into effect on January 1, 1989.

It is anticipated that the impact of the trade agreement will vary from commodity to commodity. Generally, it is acknowledged that any major de elopments under the agreement will not be immediate. Any changes which come about will be the result of potential pressures within commodity sectors. Council will be closely monitoring the agreement in 1989.

Cattlemen's Association

Since 1983, the Cattlemen's Association, in conjunction with Council, have attempted to secure the extension of provincial powers through the federal Agricultural Products Marketing Act. In 1988, the extension of powers was finally granted. This will allow the Association, as a commodity group under the Natural Products Marketing Act, to deduct a refundable levy on cattle sold interprovincially for slaughter.

Chicken

1988, was a successful year in the Island chicken industry with broiler production reaching an all time high of 1.12 million kilograms eviscerated. A keen interest remains on the part of those wishing to enter the industry when market opportunities permit.

In 1988, Council continued to serve as the P.E.I. Poultry Meat Commodity Board; however, responsibility is slowly being turned over to producers. A producer was appointed to represent the Island Board on the board of the Canadian Chicken Marketing Agency. Council will be turning responsibility for the P.E.I. Poultry Meat Marketing Board over to producers in 1989.

Eggs

Anxiety with respect to the Canada-U.S. Trade Agreement tended to dominate the egg sector in 1988. In particular, the industry is concerned about clause 701.3 of the agreement which reads:

> "Neither party, including any public entity it establishes or maintains, shall sell agricultural goods for export to the territory of the other party at a price below the acquisition price of the goods plus any storage, handling or other costs incurred by it with respect to those goods."

Currently, C.E.M.A. operates its own surplus removal program. It is feared that the C.E.M.A. may be declared a public entity under the agreement which could have a major impact on the marketing system for surplus eggs. This is particularly important to P.E.I. producers as approximately one-third of Island production is sold to C.E.M.A. as surplus. C.E.M.A., our provincial board and Council are addressing this concern.

Milk

Council, as the body responsible for the fixing of fluid milk prices in the province, increased the per litre producer, wholesale and home delivered price by five cents effective December 1, 1988. Of this increase, the producer received 1.69 cents and the processor 3.31 cents. Prince Edward Island

Milk - continued

prices continue to be lower than those of its sister Maritime provinces. Council bases its pricing decisions on cost of production and processing studies. In the interval between studies, it uses Statistics Canada data to update its information.

Pedigreed Seed

In 1988, the Pedigreed Seed Commodity Board curtailed its activities significantly. It currently is not exercising any of its powers and is assessing its future direction.

Plant Tissue Culture Commission

This Commission remains relatively inactive but as the marketing of strawberry plants has increased through tissue culturing, the Commission views its regulatory authority important in assuring importing countries of the rigidity of our quality control program.

Potatoes

In 1988, Council staff provided the Potato Producers' Association with technical assistance in the development of a potato plan. The Association, in late fall, requested the holding of a plebiscite to be held on their proposed plan. Council approved of a plebiscite with the last date for voting being December 9, 1988. The legality of the plebiscite has

Potatoes - continued

been challenged by the National Farmers' Union in the Courts. Hearings on the matter are scheduled to commence early in the new year in the Supreme Court of P.E.I.

Tobacco

The Tobacco Transition Adjustment Program entered its second year in 1988. The program is aimed at retiring tobacco production while allowing those who remain in the industry to maintain viable operations. In 1988, a total of 138 acres of production were retired under the program.

In 1988, the average price paid for Island tobacco was below that of Ontario for the first time in a number of years. The Canadian Tobacco Manufacturers Council, representing the three major tobacco manufacturers, claims the price differential between the Island and Ontario is due to quality. Council continues to monitor the situation.

Vegetable Commodity Marketing Board

Although still in existence, this board is inactive and has been for approximately a decade.

General

During 1988, Council and its staff also performed its routine duties such as conducting mail elections for commodity boards and providing general supervision over boards, commissions and commodity groups.

As well, the Council manager served as chairman of the chicken agency's Criteria Technical Committee which was charged with making recommendations for an improved quota allocation system in Canada. This committee made 33 recommendations which are now being considered by the Agency.

NATURAL PRODUCTS APPEALS TRIBUNAL

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The Appeals Tribunal consists of a Chairman and two members. In 1988, they were:

Michael Sullivan, C.A. - Chairman

Ray Brown - Member

Reid Sangster - Member

In December, the three-year term of the Tribunal Chairman and members expired. The new Tribunal consists of Wayne Beaton, C.A., Chairman; Isabel Campbell, member; and Danny Walker, member.

The Appeals Tribunal received five appeal notices in 1988. Two appeals were heard and decisions rendered. Another appeal was not proceded with and the last two were received late in the year and hearings were scheduled for January, 1989.